IMPACT AND PERFORMANCE OF KISAN CREDIT CARD IN MARATHWADA REGION

AN OUTLINE SUBMITTED TO THE

SWAMI RAMANAND TEERTH MARHWADA UNIVERSITY

NANDED

FOR THE REGISTRATION OF

DOCTOR OF PHILOSOPHY

IN COMMERCE

RESEARCH GUIDE

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INTRODUCTION

Kisan Credit Card is a pioneering credit delivery innovation for providing adequate and timely credit to farmers under single window. It is a flexible and simplified procedure, adopting whole farm approach, including short-term, medium-term and long-term credit needs of borrowers for agriculture and allied activities and a reasonable component for consumption need. It is a cash credit facility to provide timely and adequate credit for farmers in India.

It was started by the Government of India, Reserve Bank of India (RBI), and National Bank for Agriculture and Rural Development (NABARD) in 1998-99 to help farmers access timely and adequate credit. This scheme was initially announced in Budget speech of Mr Yashwant Sinha, Finance Minister in 1998-99. It was stated in the speech that NABARD would formulate a Model scheme for issue of Kisan Credit Cards to farmers, on the basis of their land holdings, for uniform adoption by banks, so that the farmers may use them to readily purchase agricultural inputs such as seeds, fertilizers, pesticides, etc. and also draw cash for their production needs. Accordingly, NABARD formulated a Model Kisan Credit Card Scheme in consultation with major banks. Model Scheme (Model Scheme was prepared by NABARD on recommendations of R V Gupta Committee), was circulated by RBI to commercial banks and by NABARD to Cooperative

Banks and RRBs in August 1998, with instructions to introduce the same in their respective area of operation.

Marathwada is one of the five regions in Indian state of Maharashtra. It has eight districts Jalna, Aurangabad, Parbhani, Hingoli, Nanded, Latur, Osmanabad and Beed.

Farmers of these districts are eligible for KCC cash credit facility based on their Land holding and pattern of crop sown. Banks in Marathwada have been assigned service area, in other words some villages have been allotted to them for covering that villages' farmers' agriculture based credit need and facilities.

Scale of finance is decided by District Level Technical Committee which gives into consideration consumption needs and other agricultural needs with land holding and pattern of crop sown while deciding it.

Banks plays a vital role in providing KCC facilities by identifying farmers with good credentials and land holding by verifying 7/12 , 8 A either issued by Talathi or computer generated.

Broad guidelines has been issued by RBI for Kisan Credit Card Scheme. For loan upto Rs 3 lakhs interest serviced is only 7%. Prompt payers even get interest subsidy from Governement of Maharastra, Panjabrao Deshmukh named after Minister of Agriculture in the first cabinet of Pandit Jawaharlal Nehru in 1952.

OBJECTIVES OF THE STUDY

1) To study procedure of banks for giving KCC

2) To study various parameters based on which scale of finance is decided.

3) To study crop pattern, facilities available & farmer awareness.

4) To study the gap if any between farmers & banks

5) To study performance of KCC in Marathwada region.

6) To study how much impact KCC have on life of farmers of Marathwada region.

HYPOTHESIS TO BE TESTED

1) District Level Technical Committee decided scale of finance is adequate for farmer needs.

2) Banks are providing credit facilities as per RBI guidelines & norms.

3) End level user is getting full benefi

RESEARCH METHODOLOGY

Collection of Data

This study requires Primary Data & Secondary data to focus on KCC impact & performance on farmers of eight districts of Marathwada region.

Primary Data

Primary Data is collection of the reliable source of data collection. For this study primary data will be collected from the DLTC of various districts field (agricultural) officers & from the managers of different banks in Marathwada region. Questionnaire will be prepared and farmers of various districts will be contacted.

For primary data collection survey method will be used.

Secondary Data

Secondary Data will also be used for this study. Secondary data will be collected from different sources such as Govt published reports, PhD thesis, related references books, journals, various interest links etc.

Selection of sample

Farmers & prominent Nationalised banks of Marathwada region are debtor and creditor in Kisan Cash Credit scheme. Out of 8 districts , two villages of every district will be

randomly selected. Prominent banks of Marathwada region Bank of Maharastra, Maharatsra Gramin bank, IDBI, State Bank of India, State Bank of Hyderabad, etc will be contacted for data of beneficiary farmers, which will be used for questionnaire to be prepared.

Tools & Techniques of the Study

This study will be based on Primary data & Secondary data. Primary data will be collected through Interviews, Questionnaires, Observations, Investigation .As per requirement Secondary data will also be used. Secondary data will be collected from different sources such as RBI ,NABARD, Govt Nationalised Banks, Cooperative banks, Govt published reports, PhD Thesis, related reference books journals, various internet links. All collected data will be tabulated, analyzed with some statistical tools and techniques.

Scope and Limitation of the Study

There are many villages in Marathwada region. Due to time & cost limitation only prominent banks & randomly selected villages will be selected for the study.

CHAPTER SCHEME

CHAPTER

1) Introduction ;KCC definition scope and application.

2) Review of Literature.

3) Government of India, Government of Maharastra, NABARD their role and significance

4) Role of District Level Technical Committee ,Agriculture Colleges and various other research institutes

5) Role of Lending and Financial Institutions.

6) Techniques and formulas used for arriving towards amount to be disbursed.

7) Data Collection and analysis

8) Summary ,Suggestions and Recommendations

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